CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

DDI 2874-82
9 April 1982

MEMORANDUM FOR: Chairman, National Intelligence Council

FROM: [redacted] 25X1
Special Assistant for Nuclear Proliferation
Intelligence

SUBJECT: Proposal for Nuclear Proliferation Study

[redacted] 25X1 visited last week to present an informal proposal (attached) to do a study of a number of aspects of the proliferation problem. The proposal looks quite good to me especially the task concerning the impact on US and Soviet relationships (p. 5). I would like to further explore the proposal with Sayre (who would be in charge of the project), but would like first to discuss funding of the project with you at your convenience. Depending upon the fruits of the effort, we could satisfy that part of our production program concerning Soviet nonproliferation policy and the effects of proliferation on the strategic balance that you recently reviewed and approved.

[redacted] 25X1

Attachment:
As Stated

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Distribution:
Orig. - Addressee
1 - DDI Registry
2 - SA/NPI files

DRAFT

11 March 82

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BACKGROUND

Nuclear proliferation continues to cast an ominous but uncertain shadow over international relations. Though it has been slow to occur relative to the expectations of two or three decades ago, the earlier technological barriers to its accomplishment have substantially eroded. Now a large number of states stand within fairly rapid reach of nuclear weapons should they decide to go for them. They are deterred by political or economic considerations including sanctions, international agreements, and bilateral support that is conditional upon their not doing so. Whether or not these restraints will continue to operate depends upon perceptions of national interest and the contribution nuclear weapons will make to their fulfillment. These interests with associated opportunities and threats can only be assessed in situationally specific terms. But certainly somewhere, at sometime, one or another of these states will conclude that the possession of nuclear weapons would have greater value than the losses imposed by restraints.

Another group of states, generally disadvantaged states, lack the capacity rather than the will to build nuclear weapons. They are separated from this objective by technical hurdles and economic demands. They too are restrained from openly pursuing a nuclear weapons program by political and economic considerations, but these tend to foster the concealment of such a program more than its dismissal. Or, at least, they may.

Still other groups, the terrorists and their patron states, are only prevented from building and using--or threatening to use--nuclear weapons by their inability to acquire one by any means whatsoever. No delicate restraints for them; only hard-nosed security measures protecting weapons or special nuclear material in storage or transhipment have an effect. And surely there will be a slip-up some time.

This proliferation shadow has a significant effect on international relations by generating fears that the means of massive military destruction will appear in the hands of states whose behavior in such circumstances is not altogether predictable and whose stake in international order and

stability may well be dominated by more immediate national concerns. Not only could such situations have a big effect on regional affairs but they would undoubtedly have an impact on the relationships of the major powers. Although both the United States and the Soviet Union have agreed on the desireability of non-proliferation of nuclear weapons, they have different perceptions of the proliferation threat and views about its prevention or control.

For the Soviets it is a threatening phenomenon indeed. They find themselves ringed with states who are candidate proliferators without the close relationships that can provide any assurance that they will not suffer from the existence of nuclear weapons in uncertain hands. Moreover, proliferation would tend to diminish the impressions made by the ostentatious projection of Soviet military power. Soviet ability to capitalize on such displays of strength have in the past served to make up for difficulties in competing on the work scene on the basis of economic strength or the promise of achieving a better quality of life through Soviet tutelage. Proliferation would also make the Soviet practice of "fishing in troubled waters" a substantially more dangerous strategy if regional and more general nuclear conflict were a possible outcome. Thus, it is not surprising that the Soviets have demonstrated as thorough-going a concern for thwarting proliferation and exercising restraint in its own exports of nuclear technology.

For its part, the United States has no less an abhorrence of nuclear proliferation but its geographic isolation serves to ease more immediate concerns so that it is more of a theoretical than a directly threatening worry. Moreover, the U.S. relies on economic strength and attempts at moral suasion in dealing with the Third World to an extent that reduces the importance of raw military power. Fewer of the candidates for proliferation in the near term can be envisioned in circumstances in which a nuclear threat to the continental United States might emerge. The United States, like the Soviet Union, must worry however, about circumstances in which nuclear threats or actions against its friends or its vital resources might draw it into a nuclear confrontation. Concerns about the use of nuclear weapons in the Middle East are a case in point.

To assess the significance of these differences in outlook between the U.S. and the U.S.S.R. requires that the matter of proliferation be considered

with situational specificity. But there are some common dimensions of the problem that serve to organize it. Some of these dimensions have peculiar significance to the intelligence treatment of the problem. The key dimension of this sort is the matter of uncertainty. To a large extent the feature of proliferation that makes it almost unbearable is that of uncertainty. It is the uncertainty about the course of proliferation, uncertainties about the capabilities of individual states to actually build reliable weapons, about the effectiveness of safeguards to prevent their doing it, about their intentions and perceptions of advantages gained that serve to stultify and cloud policy making to deal with proliferation. The latter tends to generate larger uncertainties that affect major power relationships involved in a much broader range of interactions.

As can be seen, there are many different sorts of uncertainty that must be dealt with in addressing the problem of nuclear proliferation. Each presents a different sort of problem to the intelligence analyst and each offers different possibilities for the collection of relevant information and for reduction within tight and credible bounds. A list of plaguing uncertainties about proliferation would certainly include the following:

- Uncertainties about the direct access of terrorist groups or their patron states to weapons or weapons-grade nuclear materials; the cases of Lybia, the PLO, the Red Brigades, Jewish emigre groups, etc.
- Uncertainties about the technical or technological foundations for the successful development of nuclear weapons; the cases of Taiwan, South Korea, North Korea, etc.
- Uncertainties about the effectiveness of established safeguards; the cases of Pakistan, Iraq, Egypt and Taiwan.
- Uncertainties about existence of a complete fuel cycle made more complicated by new technologies; the cases of South Africa, Brazil, Taiwan, etc.
- Uncertainties about the purposes of suspect programs; the cases of South Africa, Iraq, Brazil, and Taiwan.
- Uncertainties about the intentions of nuclear-capable states to move quickly to the development and production of weapons and about the circumstances in which they might do so. The cases of Japan, West

Germany, East Germany, etc.

- Uncertainties about intentions of state's who have developed nuclear devices to actually produce weapons stockpiles; the cases of India, Israel, and, perhaps, South Africa.
- Uncertainties as to the circumstances underwhich available weapons might actually be used for one purpose or another; the cases of Israel and India.
- Uncertainties about the readiness of the nuclear powers to support restraints on the transfer of technology and materials relevant to proliferation in the face of political and economic pressures to do otherwise; the cases of France, Italy and the United States.
- Uncertainties about the perceptions of individual states as to the advantage or need associated with the acquisition of nuclear weapons.

From the point of view of the intelligence analyst, it is useful to disaggregate the sources and types of uncertainty that are plaguing him. For years, for example, there was a general belief that the proliferation problem was in hand because we kept watch on the technical capabilities of various states to perform all the steps leading to weapons development. But other types of uncertainties proved to be more important in changing circumstances. Later, primary attention was put on dealing with perceptions of value associated with the acquisition of nuclear weapons in cases where other uncertainties were dominant. No case is characterized by only one type of uncertainty. The importance and significance of various types shifts and changes with time. Moreover, the problems associated with bounding them adequately differs from case to case.

The proposal that follows is one to address these uncertainties systematically and to assess their significance in terms of specific cases of proliferation possibility.

TECHNICAL APPROACH

[redacted] proposes to address the problem of nuclear proliferation through the fulfillment of four tasks. 25X1

Task 1 - Identification and Characteristics of the Principal Types of Uncertainty Surrounding Nuclear Proliferation. Specific types and sources of uncertainty of the sort delineated above will be identified and characterized in terms of their basic causes, amenability to intelligence attack, degree of elasticity, and likely lower bounds. This will be done in generic fashion in such a way as to pose the general type of problem posed to intelligence in each case.

Task 2 - Situationally Specific Characterization of Proliferation Uncertainties. In undertaking this task, SPC will select some actual cases in which nuclear proliferation is currently a cause of major international concern. Cases will be chosen to emphasize the dominance of various sorts of uncertainty, though in each case more than one type is likely to be significant. In each case we will characterize the nature of the uncertainty in situationally specific terms dealing with the factor more generally developed above. From this work a specific analysis of the proliferation problem faced by the intelligence collector and analyst in dealing with the selected country should emerge.

Task 3 - Impact on U.S. and Soviet Relationships. The effects of the nuclear proliferation possibilities in each country on regional stability and U.S. and Soviet relationships will be gauged. Differences in perceptions by the two countries of the proliferation threat and the associated uncertainties will be identified and appropriate implications drawn. This work should provide a basis for considering the relative priority of various developing situations and for guiding the response of the intelligence community to the proliferation problem.

Task 4 - Implications for Proliferation Intelligence. [redacted] will use the work done previously to identify those analytical and collection initiatives the intelligence community might take to most efficaciously reduce the uncertainties about nuclear proliferation in those cases where they are having greatest impact. The focus will be on defining analytical approaches and information that are most needed in resolving key uncertainties about specific proliferation cases. 25X1